

Message Text

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ACTION AF-06

INFO OCT-01 EUR-12 ISO-00 AID-05 CIAE-00 COME-00 EB-07

FRB-03 INR-07 NSAE-00 TRSE-00 XMB-02 OPIC-03 SP-02

CIEP-01 LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-04

CEA-01 L-02 H-02 AGR-05 SAM-01 IO-10 DODE-00 PA-01

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FM AMCONSUL LUANDA

TO SECSTATE WASHDC 3448

INFO AMEMBASSY LISBON

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C O N F I D E N T I A L LUANDA 0435

E.O. 11652: GDS

TAGS: EFIN AO

SUBJECT: BANK NATIONALIZATION

1. ON APRIL 14 THE LUANDA PRESS CARRIED A CRYPTIC ANNOUNCEMENT THAT "GUIDELINES" HAD BEEN ESTABLISHED FOR THE PORTUGUESE-ANGOLAN BANK NATIONALIZATION NEGOTIATIONS WHICH BEGAN MARCH 28 (LUANDA 342). NO FURTHER DETAILS WERE PUBLISHED. BANKING SOURCES, HOWEVER, SAY THE AGREEMENT STIPULATES THAT UNTIL THE BANK NATIONALIZATION MATTER IS RESOLVED, PORTUGUESE OWNERSHIP (AND CONTROL) OF ANGOLAN BANKING HAS BEEN TRANSFERRED TO THE ANGOLAN GOVERNMENT. BANK OWNERS HERE VIEW THIS AS A DISTINCT VICTORY, SINCE THEY FEAR LOCAL GOVERNMENT ACTION FAR LESS THAN INTERFERENCE FROM PORTUGAL.

2. ALTHOUGH THE MINISTRY OF FINANCE AND ITS BANK INSPECTION ENTITY (SUPERINTENDENCY OF CREDIT AND INSURANCE) IS MPLA DOMINATED, TRANSFER OF THE BANK NATIONALIZATION ISSUE FROM THE COUNCIL OF MINISTERS TO THE PRESIDENTIAL COUNCIL HAS CURTAILED THE MINISTRY OF FINANCE'S FREEDOM OF ACTION AND ITS ABILITY TO HARASS BANK MANAGEMENT. THE REPORTED INFORMAL - AND TECHNICALLY ILLEGAL -
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TRANSFER OF THE BANK ISSUE FROM THE COUNCIL OF MINISTERS TO THE

PRESIDENTIAL COUNCIL APPARENTLY RESULTED FROM AND REPRESENTS A TEMPORARY COMMUNITY OF INTEREST ON THE PART OF THE THREE LIBERATION GROUPS WHO ALL FEAR PORTUGUESE INTERFERENCE. REMOVAL OF THE MATTER FROM THE COUNCIL OF MINISTERS ELIMINATES PORTUGUESE LEVERAGE IN THE MATTER. ALTHOUGH ALL THE LIBERATION GROUPS ARE SATISFIED THAT THE ANGOLAN GOVERNMENT IS TO HOLD THE BANKING SYSTEM IN TRUST PENDING FINAL DISPOSITION, FNLA AND UNITA ARE STILL CONSIDERED AGAINST PERMANENT GOVERNMENT OWNERSHIP, THE CHIEF REASON BEING THAT THE BANKS ARE SUPPLYING A GOOD DEAL OF THEIR FINANCIAL NEEDS, OR WERE BEFORE THE NATIONALIZATION ISSUE AROSE.

3. ON APRIL 12 THE LEADERSHIP OF THE PRO-GOVERNMENT-OWNERSHIP AND MPLA-DOMINATED BANK WORKERS UNION SUFFERED AN UNEXPECTED SETBACK AT THE UNION'S GENERAL MEETING WHEN IT FAILED TO BRING A VOTE A RESOLUTION FAVORING PERMANENT GOVERNMENT OWNERSHIP OF BANKS. ALTHOUGH OBSERVERS AT THE MEETING REPORT THE RESOLUTION WOULD PROBABLY HAVE SQUEAKED BY TO A NARROW VICTORY, THE LEADERSHIP WAS THROWN OFF GUARD BY A MOVE TO UNSEAT IT AND FAILED TO PRESS HOME ITS POSITION. ANOTHER MEETING HAS BEEN SCHEDULED. ALTHOUGH UNION REBELS, WHO ARE ANTI-GOVERNMENT OWNERSHIP AND MOSTLY FROM INTERIOR CITIES, TELEGRAPHED THEIR INTENTION TO ATTEMPT TO OVERTHROW THE UNION LEADERS, THE LATTER APPEARED STUNNED BY THE ATTEMPT. (THE LEADERSHIP ALSO NEGLECTED TO TURN OFF THE AIRCONDITIONING IN THE MEETING HALL, A TACTIC WHICH PROBABLY WOULD HAVE BROKEN THE OPPOSITION AND ALLOWED A VOTE.)

4. BANK MANAGERS HERE RECENTLY HAVE RECEIVED NEW UNION DEMANDS WHICH, IF CONCEDED, WOULD REDUCE MANAGEMENT TO A RUBBER STAMP FOR DECISIONS TAKEN BY "WORKERS' COMMITTEES."
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